

City of Cincinnati



Date: Monday, June 1, 2009

To: Mayor and Members of City Council

200900799

From: Milton Dohoney, Jr., City Manager

RE: Energy Efficiency and Conservation Block Grant Allocation Recommendations

Reference Document #200800312

At its meeting on March 18, 2008, City Council referred to the Administration the following motion from Vice Mayor Crowley and Council Member Bortz:

We MOVE that the Administration create an Energy Efficiency and Conservation Plan to be submitted to the federal government for block grant funds as outlined in the Energy Independence and Security Action of 2007.

Background

A report responding to Motion #200800312 was provided to City Council on May 13, 2008. It indicated that the Administration would initiate a process to develop an Energy Efficiency and Conservation Strategy (EECS) as described in Section 545 of the Energy Independence and Security Act of 2007. It also noted that a federally approved EECS is a pre-requisite to receiving disbursement of funds under the Energy Efficiency and Conservation Block Grant (EECBG) program. Recent information from the Department of Energy indicates that Cincinnati's Climate Action Plan (now known as the Green Cincinnati Plan) can serve as Cincinnati's Energy Efficiency and Conservation Strategy and will be submitted with the City's application for formula EECBG funding.

Energy Efficiency and Conservation Block Grant (EECBG) Details

The American Recovery and Reinvestment Act (ARRA) appropriated \$3.2 billion for EECBG, including \$2.6 billion for formula allocations to cities, counties, and states. In March, 2009, the Department of Energy announced the formula allocations, providing for \$3,520,600 for the City of Cincinnati. Up to 20% of grant funds may be used for sub-grants to nongovernmental organizations, up to 10% may be used for administrative expenses, and up to 20% may be used for revolving loan funds. The primary purpose of the program is to 1) reduce fossil fuel emissions, 2) reduce total energy use, and 3) improve energy efficiency across a broad range of eligible activities. Formula EECBG grant applications are due June 25, 2009, at 8:00 p.m. Early submittal is highly encouraged.

City EECBG Process

The City Manager assigned the lead in developing the City's EECBG plan to the Office of Environmental Quality (OEQ). OEQ began the process by soliciting funding requests and gathering project information from City departments and external organizations in February. \$77 million worth of project funding requests were received, more than 22 times the amount allotted to Cincinnati through the formula grant. OEQ clustered all projects into seven primary categories: 1) City

Facilities, 2) Non-governmental Organizations, 3) Renewable Energy, 4) Transportation, 5) Recycling, 6) Outreach, and 7) Administration. Project evaluations focused on the project's ability to 1) Meet the primary purpose of block grant, 2) Advance established City priorities, including those identified in Motion #200800312, 3) Transform Cincinnati, 4) Create or retain jobs, and 5) Leverage other available funds. A Stakeholders Meeting was held on Friday, April 24, 2009, where OEQ's block grant funding recommendations were presented and discussed (see listing below) and stakeholders provided comment.

Recommendation

It is recommended that the City allocate formula EECBG funds as listed below. Please reference attached spreadsheet for details.

City Facilities

Performance Contracts	\$1,139,600
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Non-Governmental Organizations

Cincinnati Energy Alliance	\$ 604,000
Mill Creek Restoration Project	\$ 100,000

Transportation

Ohio River Trail	\$ 400,000
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Recycling

Wheeled Carts	\$ 750,000
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Outreach

Green Cincinnati Plan	\$ 50,000
Urban Farming Expansion	\$ 75,000
Building Codes	\$ 50,000

Administration

Administration	\$ 352,000
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Total	\$3,520,600
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Upon approval of this report by City Council, OEQ will prepare the formula EECBG grant application for submittal to the U.S. Department of Energy.

cc: Larry Falkin, Office of Environmental Quality 